

# Health System Redesign Process

## WHAT'S CHANGING?

### Discovering Your System's Shared Reality & Shared Vision

By

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Change management scholars tell us that for change to occur, people must first have a common understanding of their circumstances -- the "whole truth" about their *shared reality* -- and, that they need to hold a *shared vision* for the future.

A "vision" is a picture of the future that they seek to create together.

When an organization, or a system of organizations, understand the "gap" that exists between their current reality and their emerging vision, then they will be able to determine what they need to do to "close the gap" between their reality and their vision.

As LHIN partners reflect on vision vs. reality within their network, they first need to consider the perspectives of *Customers/ Patients/Citizens*. What do they experience today? What should it be like in the future? How will you close the gap?

Health system partners also need to think about their own internal *Structures & Value-Creating Processes*. What is the whole truth about your current circumstances, and, what is your emerging vision of the future?

LHIN partners need to reflect on the *Essential Skills & Capacity-Enablers* that people have now -- and what they will need to realize your emerging vision -- and to achieve the results for which people will be accountable for achieving.

Healthcare partners also need to be grounded in a realistic *Financial Resources Perspective*: what are your current realities, and, from a public interest (owners') perspective, how should it work in the future?

Finally, in terms of the *Culture Perspective* on the healthcare sector, what is the "whole truth" about our current circumstances in the sector -- and in your LHIN -- and, what do you want to be

different in the future?

To provoke your thinking on these issues, we've set out on the following pages what might reflect some of your current realities and provide a glimpse of what could be our emerging vision. The question is: ***How would you close the gap between your emerging vision and the realities in your Local Health Integration Network?***

#### The Authors Team



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Liz is one of the pioneers of the *Capacity-Building Approach for Transformational Change* © *Quantum Learning Systems*.

Their approach: The best solutions come not from outside experts or internal survivors, but from those who are dedicated to creating sustainable benefit for customers. Quantum's clients learn-by-doing. They create and execute strategies that achieve the results for which they are accountable.

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# Customer/Patient/Citizen Perspective

Current Reality	Emerging Vision
<ul style="list-style-type: none"> <li>Fragmented services offered across a series of unconnected silos.</li> </ul>	<ul style="list-style-type: none"> <li>A “seamless” customer experience across the continuum of services.</li> </ul>
<ul style="list-style-type: none"> <li>Provider-Driven Services</li> </ul>	<ul style="list-style-type: none"> <li>Customer-Driven Services</li> </ul>
<ul style="list-style-type: none"> <li>Focus on silo-providers -- (through funding/policy/and administrative mechanisms) -- that fosters and supports silo-thinking/behavior/relationships.</li> </ul>	<ul style="list-style-type: none"> <li>Focus on the continuum of services -- from a <u>customer</u> perspective -- that fosters and supports integrated thinking/ behavior/relationships.</li> </ul>
<ul style="list-style-type: none"> <li>Focus on episodic acute care/ rescue medicine/treatment and recovery.</li> </ul>	<ul style="list-style-type: none"> <li>Focus on health outcomes of the population served -- while providing episodic acute care, etc.</li> </ul>
<ul style="list-style-type: none"> <li>Gaps in services.</li> </ul>	<ul style="list-style-type: none"> <li>Eliminate gaps.</li> </ul>
<ul style="list-style-type: none"> <li>Inconsistent quality/standards.</li> <li>25,500 hospital patients die from preventable accidents.</li> <li>1 in 13 patients harmed.</li> </ul>	<ul style="list-style-type: none"> <li>Consistent quality/standards.</li> <li>Ultra-safe system designs.</li> <li>Design systems for “perfect” care.</li> <li>Theoretical limits.</li> </ul>
<ul style="list-style-type: none"> <li>2 to 3-Sigma quality ranking.</li> </ul>	<ul style="list-style-type: none"> <li>6-9 Sigma quality ranking.</li> </ul>
<ul style="list-style-type: none"> <li>Waiting lists. Services not universally accessible.</li> </ul>	<ul style="list-style-type: none"> <li>Reasonable access/universally.</li> </ul>
<ul style="list-style-type: none"> <li>45% increased funding over the past five years – without any real improvements.</li> <li><i>Health Premium Tax</i> added to the healthcare bill for taxpayers.</li> </ul>	<ul style="list-style-type: none"> <li>Provide quality, accessibility and patient satisfaction improvements – while holding overall increased costs down.</li> <li>“New money” buys more &amp; better services.</li> </ul>
<ul style="list-style-type: none"> <li>Declining levels of patient satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>Increasing customer and family satisfaction levels.</li> </ul>
<ul style="list-style-type: none"> <li>Declining public confidence.</li> </ul>	<ul style="list-style-type: none"> <li>Public confidence restored.</li> </ul>

# Financial Resources Perspective

Current Reality	Emerging Vision
<ul style="list-style-type: none"> <li>• Central authority funds silos.</li> </ul>	<ul style="list-style-type: none"> <li>• Fund local systems (LHIN's).</li> </ul>
<ul style="list-style-type: none"> <li>• The majority of resources are allocated based on history, crisis, politics and "perceived" power of stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Resources are allocated based on continuous capacity planning for needs and standards for universal access within a local delivery system.</li> </ul>
<ul style="list-style-type: none"> <li>• Goal is to maximize resources for your silo.</li> </ul>	<ul style="list-style-type: none"> <li>• Goal is to allocate resources appropriately in the system.</li> </ul>
<ul style="list-style-type: none"> <li>• Budget process bureaucratic at system &amp; organizational levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic budgeting. Resources flow to achieve the results required.</li> </ul>
<ul style="list-style-type: none"> <li>• Politics/power drives resources.</li> </ul>	<ul style="list-style-type: none"> <li>• Evidence-based decision-making and strategy drives resources.</li> </ul>
<ul style="list-style-type: none"> <li>• Waiting list = asset.</li> </ul>	<ul style="list-style-type: none"> <li>• Waiting list = liability.</li> </ul>
<ul style="list-style-type: none"> <li>• Risk Avoidance.</li> <li>• Threatening/blame environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk-based approach to decision-making and resource deployment that fosters innovation.</li> </ul>
<ul style="list-style-type: none"> <li>• Unleveraged use of resources.</li> </ul>	<ul style="list-style-type: none"> <li>• Leveraged use of resources.</li> </ul>
<ul style="list-style-type: none"> <li>• 30% of work is re-work to serve bureaucratic interests. Significant waste everywhere.</li> </ul>	<ul style="list-style-type: none"> <li>• Redesigned work processes -- from customer perspective -- saves 30%, while improving quality by up to 50%.</li> </ul>
<ul style="list-style-type: none"> <li>• Perverse rewards and incentives.</li> </ul>	<ul style="list-style-type: none"> <li>• Aligned rewards and incentives.</li> </ul>
<ul style="list-style-type: none"> <li>• "Gaming the numbers."</li> </ul>	<ul style="list-style-type: none"> <li>• Cut time invested on budget by 50% while achieving bottom-line <u>results</u> in a <i>Balanced Scorecard</i>.</li> </ul>
<ul style="list-style-type: none"> <li>• RFP processes creates "illusion" of an honest, open &amp; fair process.</li> </ul>	<ul style="list-style-type: none"> <li>• Partnership with suppliers/focus on outcomes and mutual accountabilities.</li> </ul>
<ul style="list-style-type: none"> <li>• No collaboration on "back office" costs across the system.</li> </ul>	<ul style="list-style-type: none"> <li>• Collaboration on <i>supply-chain management</i> generates major savings.</li> </ul>
<ul style="list-style-type: none"> <li>• Lack of transparency.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete transparency.</li> </ul>
<ul style="list-style-type: none"> <li>• Governance confusion about finances/how the LHIN will allocate money.</li> </ul>	<ul style="list-style-type: none"> <li>• Governance oversight &amp; monitoring of outcomes.</li> </ul>
<ul style="list-style-type: none"> <li>• Annual deficits.</li> </ul>	<ul style="list-style-type: none"> <li>• Balanced budgets.</li> </ul>

# Structural/Value-Creating Perspective

Current Reality	Emerging Vision
<ul style="list-style-type: none"> <li>Primary health is illness-focused.</li> </ul>	<ul style="list-style-type: none"> <li>Primary health is health-focused.</li> </ul>
<ul style="list-style-type: none"> <li>System is specialist-driven.</li> </ul>	<ul style="list-style-type: none"> <li>Primary care is the “golden thread” driving the system.</li> </ul>
<ul style="list-style-type: none"> <li>Functional view. “Push system”.</li> </ul>	<ul style="list-style-type: none"> <li>Process view. “Pull system”.</li> </ul>
<ul style="list-style-type: none"> <li>Resources flow in silos, producing fragmentation/gaps in services/ lack of co-ordination.</li> </ul>	<ul style="list-style-type: none"> <li>Resources flow to system, promoting system integration at the customer interface.</li> </ul>
<ul style="list-style-type: none"> <li>Independent silos focused on provider interests.</li> </ul>	<ul style="list-style-type: none"> <li>Interdependent services provided by independent organizations focused on the needs of the system’s common customers and owners.</li> </ul>
<ul style="list-style-type: none"> <li>Machine-like organizational design.</li> </ul>	<ul style="list-style-type: none"> <li>Organic-like design.</li> </ul>
<ul style="list-style-type: none"> <li>Designed to be complicated.</li> </ul>	<ul style="list-style-type: none"> <li>Designed to be complex adaptive.</li> </ul>
<ul style="list-style-type: none"> <li>Gaps and redundancies.</li> </ul>	<ul style="list-style-type: none"> <li>Continuum of Service.</li> </ul>
<ul style="list-style-type: none"> <li>Fragmented information system.</li> </ul>	<ul style="list-style-type: none"> <li>Integrated database/patient record.</li> </ul>
<ul style="list-style-type: none"> <li>Command-and-control/ bureaucratic/rule-driven.</li> <li>No processes for strategy execution. No measurable targets.</li> </ul>	<ul style="list-style-type: none"> <li>Participative, self-organizing on measurable outcomes, mission-driven rather than the traditional focus on bureaucratic control.</li> </ul>
<ul style="list-style-type: none"> <li>Physicians are the supreme source of knowledge/dictator of therapy.</li> </ul>	<ul style="list-style-type: none"> <li>Physicians participate in integrated services and act as “facilitator of choices”.</li> </ul>
<ul style="list-style-type: none"> <li>No accountability for outcomes.</li> </ul>	<ul style="list-style-type: none"> <li><i>Accountability Agreements.</i></li> </ul>
<ul style="list-style-type: none"> <li>Fragmented supply-chain management. No economies of scale.</li> </ul>	<ul style="list-style-type: none"> <li>Integrated supply-chain management. Economics of scale.</li> </ul>
<ul style="list-style-type: none"> <li>Missing essential integration with public health (SARS crisis).</li> </ul>	<ul style="list-style-type: none"> <li>Public health is integral part of the LHIN system of planning &amp; integration.</li> </ul>
<ul style="list-style-type: none"> <li>Lack of co-ordination with health-related social services.</li> </ul>	<ul style="list-style-type: none"> <li>Integrate with health-related social services: <i>population health focus.</i></li> </ul>

# Skills and Capacity Enablers

Current Reality	Emerging Vision
<ul style="list-style-type: none"> <li>No common language/ frameworks for managing change.</li> </ul>	<ul style="list-style-type: none"> <li>Common language/frameworks for talking about, planning for and implementing change.</li> </ul>
<ul style="list-style-type: none"> <li>Bureaucratic skills for <u>managing processes</u> in silos.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborative skills for <u>achieving outcomes</u> for customers.</li> </ul>
<ul style="list-style-type: none"> <li>Strategic planning/strategy development. No strategy execution skills.</li> </ul>	<ul style="list-style-type: none"> <li>Skills for leveraged thinking/strategy execution/performance monitoring/achieving targets.</li> </ul>
<ul style="list-style-type: none"> <li>Traditional linear strategic planning skills/mindset. (90% failure rate).</li> </ul>	<ul style="list-style-type: none"> <li>Systems thinking skills/strategy implement skills and learning organization process/behaviors.</li> </ul>
<ul style="list-style-type: none"> <li>Hierarchical leadership rules with “control” processes/tools/methods.</li> </ul>	<ul style="list-style-type: none"> <li>Facilitative leadership, team learning, lean thinking, collective intelligence and problem-solving skills are required by everyone.</li> </ul>
<ul style="list-style-type: none"> <li>Lack of integrated knowledge base on evidence-based clinical/administrative processes and outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>Integrated knowledge base of evidence-based processes and outcomes.</li> </ul>
<ul style="list-style-type: none"> <li>Mistakes are “undiscussables”.</li> </ul>	<ul style="list-style-type: none"> <li>Mistakes are a valuable source for learning. We learn from our “best mistakes”.</li> </ul>
<ul style="list-style-type: none"> <li>Significant deficits for integration competencies/ silo-focus rewards and incentives.</li> </ul>	<ul style="list-style-type: none"> <li>Capacity-building for integration/system-focused rewards and incentives.</li> </ul>
<ul style="list-style-type: none"> <li>Skills, structure and culture capacity for “control” -- or at least for the “illusion of control”.</li> </ul>	<ul style="list-style-type: none"> <li>Stewardship/facilitation/ coaching -- skills for <i>adaptive leaders</i>.</li> </ul>
<ul style="list-style-type: none"> <li>Traditional “Boss Skills”.</li> </ul>	<ul style="list-style-type: none"> <li>Learning Organization Skills.</li> </ul>

# HealthCare Sector's Culture Perspectives

Current Reality	Emerging Vision
<ul style="list-style-type: none"> <li>Assumption is people are incompetent and need to be controlled.</li> </ul>	<ul style="list-style-type: none"> <li>Assumption of competence.</li> </ul>
<ul style="list-style-type: none"> <li>Command &amp; Control</li> </ul>	<ul style="list-style-type: none"> <li>Participative/Facilitative</li> </ul>
<ul style="list-style-type: none"> <li>Short-Term/Fire-Fighting</li> </ul>	<ul style="list-style-type: none"> <li>Long-Term/Consistent</li> </ul>
<ul style="list-style-type: none"> <li>Personal power/authority/politics</li> </ul>	<ul style="list-style-type: none"> <li>Stewardship. <i>"In service to..."</i>, rather than <i>"in control of"</i>.</li> </ul>
<ul style="list-style-type: none"> <li>Boss Mindset/Behaviors</li> </ul>	<ul style="list-style-type: none"> <li>Coach Mindset/Behaviors</li> </ul>
<ul style="list-style-type: none"> <li>Entitlement Culture</li> </ul>	<ul style="list-style-type: none"> <li>Accountability Culture</li> </ul>
<ul style="list-style-type: none"> <li>Silo thinking and behaviour</li> </ul>	<ul style="list-style-type: none"> <li>Systems thinking and behaviour</li> </ul>
<ul style="list-style-type: none"> <li>No sense of accountability for the results produced.</li> </ul>	<ul style="list-style-type: none"> <li>Culture of accountability and personal responsibility focused on results.</li> </ul>
<ul style="list-style-type: none"> <li>Blame and blame avoidance dynamics drives thinking &amp; behavior.</li> </ul>	<ul style="list-style-type: none"> <li>Accountability for <u>outcomes</u> -- with best practice <i>Accountability Agreements</i>.</li> </ul>
<ul style="list-style-type: none"> <li>Fear</li> </ul>	<ul style="list-style-type: none"> <li>Passion/Creativity</li> </ul>
<ul style="list-style-type: none"> <li>Anxiety</li> </ul>	<ul style="list-style-type: none"> <li>Confidence/Innovation</li> </ul>
<ul style="list-style-type: none"> <li>Cynicism</li> </ul>	<ul style="list-style-type: none"> <li>Commitment</li> </ul>
<ul style="list-style-type: none"> <li>Unsafe/Lack of Trust</li> </ul>	<ul style="list-style-type: none"> <li>Trust/Supportive/Safe</li> </ul>
<ul style="list-style-type: none"> <li>Disrespectful</li> </ul>	<ul style="list-style-type: none"> <li>Respectful/Emotional Intelligence</li> </ul>
<ul style="list-style-type: none"> <li>Scarcity Mindset</li> </ul>	<ul style="list-style-type: none"> <li>Abundance Mindset</li> </ul>
<ul style="list-style-type: none"> <li>Sense of Chaos</li> </ul>	<ul style="list-style-type: none"> <li>Sense of Purpose</li> </ul>
<ul style="list-style-type: none"> <li>Pride in what we know. Don't look at old issues from new angles or with new lenses.</li> </ul>	<ul style="list-style-type: none"> <li>Curiosity about what we know we don't know, and about the stuff we "didn't even know, we didn't even know."</li> </ul>
<ul style="list-style-type: none"> <li>Low staff/physician morale</li> </ul>	<ul style="list-style-type: none"> <li>High staff/physician morale</li> </ul>
<ul style="list-style-type: none"> <li>Toxic work environment.</li> </ul>	<ul style="list-style-type: none"> <li>Model of a "healthy workplace".</li> </ul>